DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT AGENCY
EUROPE REGION
UNIT 29353, BOX 200
APO AE 09014

SFIM-EU-MWR

JUN 20 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 04 NAF Budget Guidance

1. The enclosed FY04 supplemental budget guidance brings new challenges in the transition to end-state for the Transformation in Installation Management (TIM). Major factors affecting the FY04 Budget are termination of guesthouse asset payback, self-sufficiency exemption funds and the capital reinvestment assessment (CRA, 2% of total revenue). Program and NIBD standards of percentage of total revenue are evaluated at region level in the aggregate. ASGs are evaluated on budget variance. SHAPE related expenses in the 80th ASG will be absorbed at IMA-E level.

2. Distribution of ARMP and AAFES dividends will be made through the FY03 methodology, pending identification of funds for transition to end-state. We will fund the region level NAF workforce in FY04 at the current level.

3. The sharp decline in reinvestment capability requires a carefully prepared reinvestment plan. This forms the CPMC budget and begins with a business and marketing plan that outlines the ASG commander's vision. Centralized reinvestment will be limited to completion of the Glow-Bowling initiative.

4. Each ASG commander will brief me on the FY04 budget, as specified in the guidance. The MWR Division staff will arrange an appointment for each commander.

5. The IMA-Europe point of contact is Ms. Mary Schweitzer, DSN: 370-6877, Commercial: 06221-57-6877.

Russell B. Hall

Encl

RUSSELL B. HALL
Director, Installation Management
Agency, Europe Region

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SUBJECT: FY 04 NAF Budget Guidance

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Fiscal Year 2004 (FY 04) Morale, Welfare, and Recreation (MWR), Veterinary Services and Vehicle Registration (VR) Supplemental Budget Guidance

1. Reference DA / CFSC FY 04 Financial Management Operating & Budget Guidance. This document is available @ www.armymwr.com.

IMA-Europe Region guidance supplements and does not replace the referenced DA / CFSC guidance. A thorough review and understanding of this supplement and the DA / CFSC guidance are necessary to complete the budget submission.

2. ASGs will furnish a copy of all locally generated Supplemental Instructions (including attachments and templates) to the IMA-E MWR Single Fund at the time of issue.

3. **General Budgeting Philosophy.**

a. Budgets are built from the bottom up. Front door managers prepare budgets at the facility level based on DA, IMA-E, and local guidance. These facility budgets are then consolidated into BSB budgets. BSB budgets are then consolidated into an ASG budget.

b. Budgets must be realistic. Managers of facilities who cannot meet prescribed standards must provide a full explanation of the extenuating circumstances. A "Get-Well" plan is required describing how the facility will meet the standard at some defined point in the future. Justification of sub-standard facilities will be part of the commander's narrative.

c. Any changes to original budget submissions must be coordinated back through the submission chain in order to ensure that all levels of management, including the facility managers, are aware of the changes and the rationale for them.

d. IMA-E Single Fund review will begin at the ASG budget roll-up level and proceed downward through each ASG program. A location-by-location review may be necessary when questions arise that cannot be adequately explained at the ASG program level.

4. **The primary elements affecting the FY04 budget are addressed below**:

a. IMA-E **Program and Facility Standards.** The DA standards are detailed in reference 1 above. Beginning with FY 04, standards are applicable at both the Region and Garrison (ASG) levels. Program and NIBD percentage standards are applied at the Region level in the aggregate. ASGs will be evaluated against the budgeted NIBD for each program/category. For the left side of the "bubble", ASGs will be rated "green" when NIBD is equal to or greater than budget, and "red" when NIBD is less than budget – there is no "amber" rating. On the right side, budget variance will be rated "green" when equal to or less than 10%, amber when greater than 10% but less than 15%, and "red" when greater than 15%. The "Commander's Mission Box" option in

SMIRF has been updated to reflect this change. The Europe Region standards for the ASGs are based on the DA standards for mission box categories. Evaluation will be at the facility level. This does not preclude ASGs from setting more stringent performance standards as the commander deems appropriate.

b. **ASG Business Plans.** FY 04 is the first year of the termination of guesthouse payback income. Many ASGs will experience a sharp decrease in reinvestment capability. It is imperative that each ASG have a reinvestment plan that is focused on establishment of a healthy NIBD. In the Europe Region, the CPMC budget is the reinvestment plan. The development of the CPMC budget begins with a reasonable business/marketing plan that outlines the commander's vision and identifies requirements to realize that vision. Both the business and marketing plan are required supporting documentation for the CPMC budget.

(1) **Business and Marketing Plan.**

(a) The body of the business plan includes four distinct sections: 1) the description of the business, 2) the **marketing plan**, 3) the **financial management plan/budget** and 4) the **management plan**. Addenda to the business plan should include the executive summary, supporting documents and financial projections.

(b) A marketing plan is a written statement of how you intend to direct your activity's operations and promote its functions. A marketing plan answers three important questions:
- What is your present situation? (Where does your activity fit in the competitive market?)
- Which direction did you come from? (Has your activity been doing the right things in the past?)
- Which direction should you go? [What things should your activity be doing to ensure success? What marketing mix (Product, Price, Place/Distribution, and Promotional efforts) will achieve your business goals?]

c. **Termination of the Capital Reinvestment Assessment (CRA).** Effective with FY 04, the 2% CRA paid on net revenue is discontinued.

d. **Indirect Revenue Distribution/Corporate CPMC Program.** AAFES Simplified Dividend (ASD) and Army Recreation Machine Program (ARMP) distributions will be made in the same manner as FY 03. The Corporate CPMC program will be limited to the funding of the bowling center initiative.

e. **Budget review process**. IMA-E program and FMG staff will review submissions. After budgets are finalized, ASG commanders will brief completed budgets to the Region Director. Commanders will use standard templates provided by the IMA-E FMG. FMG will provide historical and current data, while ASGs provide budget numbers. Briefings will be scheduled by IMA-E, and coordinated with the ASGs.

5. **Budget Submission Requirements.** MWR and Vehicle Registration activities will use FMBS formats. FMBS version 2.0 will be used for the FY 04 budget preparation. Input will be made using the Internet, onto the database maintained on the MWR Information Management Support server. This enables input by facility managers, directly to the FMBS database. ASGs will have the capability to review all facility budgets and consolidate them. ASGs are encouraged to use the new database to its full potential by allowing facility managers this opportunity. Each ASG is responsible for completing a budget for each fund consisting of the separate elements listed below:

a. **Reinvestment Plan (CPMC Budget).** The Region Director will review the plans personally. Projects in the CPMC budget must correspond to objectives outlined in the Business Plan. ASGs are required to provide an ROI and NAF data sheet for **all** projects submitted that are $100K or more. Additionally, form DA 4283, DPW Work Request must be submitted for these projects, and a full scope of work completed by DPW. All 3 documents (ROI, 4283 and NAF data sheet) will be submitted to IMA-E FMG for technical review. The review team will consist of MWRD program managers and Single Fund staff. Templates and instructions for ROI of CPMC projects are at website www.armymwr.com, under financial management.

b. **Commander's Narrative.** Each ASG budget must include a commander's narrative. The Region Director will review each narrative to ensure that the commander's plan supports the overall goal of successfully sustaining MWR programs beyond FY 04. The commander's narrative must address the eight items listed below and be signed by the commander personally (not for him/her).

AS A MINIMUM:

(1) State of current operations to include significant trends that could impact on future performance.

(2) Command goals and supporting objectives to close the gap between current and expected levels of financial performance.

(3) Anticipated cost savings and overhead reductions to make programs more efficient.

(4) Anticipated increases in NIBD based on facility/program.

(5) Plans to maximize MWR USA for APF-authorized expenses.

(6) Facilities under consideration for closure and supporting rationale.

(7) New NAF operations and initiatives.

(8) Assessment of causes and remedies in cases where programs or facilities are not expected to achieve financial standards.

c. **Annual Operating Budget.** (DA Form 5318-E) from FMBS. The following reports, at a minimum, are to be used as tools for budget review.

(1) AOB Summary Budget by Program Category.

(2) AOB Detailed Budget by Program.

(3) AOB Detailed Budget for each Category C "front door".

(4) Consolidated ASG by Fund Statement in both Summarized and Detailed Format.

(5) AOBs by location in detail for department GL.

d. **APF / NAF Five Year Financial Plan** (DA Form 5320–1–E) from FMBS.

(1) Must be prepared by program (**NOT** location) and consolidated by ASG.

(2) APF budget data must be obtained from the ASG DRM; FY 05 and beyond will be straight-lined, with inflation factor.

(3) All APF expenses, funded and unfunded, **MUST** be listed under the applicable program and location code in department GL.

(4) NAF data from FY 03 will transfer automatically from the AOBs; FY 05 – 08 data must be entered manually and **MUST** be realistic.

e. **CPMC Budgets** (Parts A – D).

(1) Use DA Form 5321-E from FMBS to budget for **all** CPMC projects funded by the ASG. Care must be taken to ensure that projects are budgeted as the correct type:

Type 1 (Part A) - Purchases meeting fixed asset criteria.

Type 2 (Parts A and C) - Minor construction.

Type 3 (Part B) - Capital Purchases for NAFMC.

Type 4 (Parts A and D) - Maintenance & Repair.

FMD assigns the type, FMBS will move to appropriate section in CPMC budget.

(1) CPMC projects will not be automatically carried over – any projects not completed by end of FY 03 must be entered into the new fiscal year. ASGs are encouraged to "scrub" current CPMC budgets to start FY 04 with an accurate list.

(2) Yearly locally funded CPMC **MUST NOT** exceed yearly NIBD plus allowable carryover. IMA-E FMG will provide maximum funding limits for each ASG.

(3) CPMC purchase items are those that have an individual cost (including installation and freight) of at least $1000 and a useful life of at least 24 months. Items not meeting this definition **MUST** be budgeted as expenses.

(4) IMA-E **DOES NOT** allow recognition of fixed assets under the "bulk purchase rule" as described in the DA / CFSC guidance.

(5) Minor Construction Projects ($200 - $499K) MUST include the front page of the DD 1391 as an attachment.

(6) APF authorized CPMC expenditures (recorded in GLAC 181) will be identified in FMBS by placing "APF AUTH" as the first words of project description.

f. **Five-Year Cash Projection Schedule** (DA Form 5911-E) from FMBS. ASGs will not prepare a 5-year cash schedule – it will be prepared at the Region level.

g. **NAF Major Construction Schedule** (DA Form 5911-2-E). This will be prepared at the Region level.

h. **Personnel Requirement Document** (PRD) in Excel format, as provided by IMA-E, and available on the MWR Portal.

i. **Table of Distribution and Allowances** (TDA).

j. Complete Listing Of All Fund, Division, Program, Location, & Department Codes with descriptions of the division and location codes indicating literal location (city, caserne, and proper name - not just "club", "bowling center", etc.). Location Codes are locally assigned, but they must be reviewed before beginning the budget process to ensure that they reflect actual physical locations, that multiple physical locations do not share the same location code, and that the listed location codes are used correctly. Effective with FY 04, changes/additions to location codes must be coordinated with IMA-E FMG before submission to CAD for implementation.

k. Detailed schedules for any items budgeted in the **Miscellaneous** (599, 799, 825, 850) and **Inter-fund Transaction** Accounts (307, 598, 798). <u>Inter-fund account usage must be coordinated by both the issuing and receiving funds to ensure that the overall USAREUR inter-fund accounts balance to zero.</u>

l. **USA MOAs** including attachments.

6. **Budget Review.** ASGs will notify the Single Fund when the budget is complete. The budget review will be conducted jointly by the Single Fund staff and the MWRD program proponents. Supporting documents to the budgets not available through FMBS (draft commander's narrative, etc.) will be sent to the Single Fund either via E-mail, fax, or courier by the date listed below. After initial review, comments will be sent to ASG FMD offices for corrections, justifications, etc. ASG commanders will brief finalized budgets to the Region Director.

7. **Timelines.** Budgets must follow the timeline below:

"First Cut" Review of AOB & CPMC submitted by ASGs — 2 Jul
ASGs will complete budgets and submit to the Region for review.
PRD, Cmdrs narrative, Business Plan, MOAs – may be in draft, but must be provided

Region review – Single Fund and Program Managers — 2-18 Jul
Single Fund and program managers review all ASG budgets, and provide input back to ASGs NLT 21 Jul.

ASGs make all changes, brief commander, finalize budget — 4 Aug
<u>All</u> budget documents due to the Single Fund by 16 Aug

ASG commanders brief Region Director — TBD

8. There are no Program Code changes for FY 04.

9. Department Code changes as detailed in the referenced DA / CFSC guidance:

10. GLAC Code changes as detailed in the referenced DA / CFSC guidance.

11. **Marketing Guidance:**

a. **Business Plan and Marketing Plan** should be part of budget development.

(1) The body of the business plan includes four distinct sections: 1) the description of the business, 2) the **marketing plan**, 3) the **financial management plan/budget** and 4) the management plan. Addenda to the business plan should include the executive summary, **supporting documents and financial projections**.

(2) A marketing plan is a written statement of how you intend to direct your activity's operations and promote its functions. A marketing plan answers three important questions:

- What is your present situation?
- Which direction did you come from?
- Which direction should you go?

A marketing plan is a tool for short and long-term planning, management resources, business strategy, activity/program analysis, and strategic goals.

a. **Commercial Sponsorship**.

(1) **Revenues.** Sponsorship income **is supplemental funding** and will be credited at the location/program level, in the appropriate department, in GLAC 553.

(2) **Expenses.**

(a) Costs of soliciting sponsorship at the ASG or regional marketing center-level will be budgeted under program code RU, department 9G, in the appropriate GLAC.

(b) Costs related to the organizing/conducting the sponsored event will be recorded at the location level in the appropriate program and department codes (not RU and 9G).

(3) **Return on Investment (ROI)** analysis should be part of budget development. The sponsorship projection will be based on a **goal** ROI of 300%. For costs include: salary and benefits of personnel directly involved in getting sponsorship; expenses for soliciting (advertising for sponsorship, production of solicitation brochures, expense accounts, TDY costs. etc.), any special expenses incurred in meeting sponsorship obligations; and after-event expenses (after-action reports, appreciation letters to sponsors, thank-you ads, etc.). For revenues include: all cash obtained; Cost Of Goods Sold (COGS) for products and services which meet identified or budgeted expenses; COGS for prizes used in raffles or similar fund-raising activities; COGS for products which are sold. Do not include promotional items such as keychains, hats, t-shirts, discount coupons, etc., unless they are sold or meet identified or budgeted expenses.

b. **Advertising Sales**.

(1) **Revenues**. Income produced through the sales of advertising will normally be recorded in Marketing (RU), GLAC 557. Income from advertising sales that pertain to a specific program or location, however, may be credited to that program/location, also in GLAC 557.

(2) **Expenses**. Costs related to the sales of advertising will be recorded in the Marketing (RU) program code, department 9H.

(3) **ROI.** Budget ceiling will be based on a minimum ROI of 300%. ROI analysis should be included as part of the budget submission. For costs include: salary, benefits, and commissions of sales personnel; travel expenses; and production of sales materials.

c. **Advertising in the "Stars and Stripes."** Current cost for advertising in the "European Stars and Stripes" is $25.45 per column inch. A price increase is expected in Jan 04, but the amount is unknown at this time.

12. **Accelerated Depreciation**: DoD FMR 7000.14-R, paragraph A040401, E states that "generally accepted accounting principles dictate that once an accounting principle is adopted it should not be changed for events and transactions of a similar type". Depreciation is an established accounting principle. Except for aircraft, which may use flying hours, Army NAFIs are directed to use only the straight-line method. Accelerated depreciation is a change in accounting methodology and must be approved by the fund manager.

When it is known that accelerated depreciation must be initiated, the fund manager must be notified immediately. Early identification of the necessity to invoke accelerated depreciation is imperative to avoid impacting the bottom-line, which occurs when a loss on disposal of assets is recorded. All equipment that will be removed and disposed of either by transfer, turn-in, sale, or official disposition via a contractor must be included in the accelerated depreciation memorandum request regardless of whether a facility is being closed or being renovated. An example of equipment that must be identified during this process is the pinsetters in a bowling center.

Examples of fixed assets that may require accelerated depreciation are as follows: (1) It is determined that a facility will be closed with a target date of six months from the determination. The un-depreciated value of the assets should be identified and a memorandum requesting accelerated depreciation forwarded to the Single Fund Manager. A complete description of the fixed asset must be included (i.e., make, model, year, serial number, acquisition cost, asset number, program code, location code, department code, number of steps remaining, total un-depreciated value). (2) Corporate projects that will impact all Area Support Groups (ASGs) will require the area impacted to be reviewed upon the initial establishment of the project (i.e., the bowling upgrade project that is nearing completion. Requests that were forwarded to the Single Fund Manager were processed quickly to allow the accelerated depreciation to begin promptly. It must be understood that the DoD 7000.14-R requires a full month of depreciation be charged against the asset in the month it is removed from property control records).

13. **Unit Activity Funds**.

a. Guidance on fundraising by unit activity funds has changed. IAW opinion received from the USAREUR Office of the Staff Judge Advocate, "Fundraising by unit members is subject to the restrictions in the joint Ethics Regulation, DOD 5500.7-R. Fundraising for unit MWR purposes may not be conducted by unit personnel during duty time or using government equipment or resources. The funds generated are private resources and should not be deposited in the unit fund account. Services by unit personnel should be treated instead as service contracts under AR 215-3 and 215-4. The funds earned are deposited into a separate account and applied as the unit personnel see fit."

b. Based on above OJA guidance, units are not authorized to conduct fundraising events to augment unit allocation funds. Essentially, units will be treated as informal funds and will be required to establish local bank accounts. Monies earned from fundraising events will be deposited into these accounts, and not with MWR. Units will continue to receive support from MWR only in the form of the yearly allocation based on unit strength.

c. Current balances of unit accounts will be made available to the unit activity fund custodians.

14. **Purchase of Information Management Equipment (IME)**

In the Europe Region, NAF IME purchase and replacement follows the acquisition policy as outline in Army Regulation 215-1, para 7-31, and Army in Europe Supplement 1 to AR 25-1. The Army in Europe Information Systems Planning and Programming System (ISPPS) is a centralized database that lists complete IME authorizations for every organization in the Army in Europe. Because the database establishes authorization levels for IME configurations, Army in Europe organizations are no longer required to justify individual requests for IME. The ISPPS shows valid and justified requirements. (similar to a common table of allowances (CTA)) for sustaining-base IME. This database—

a. Provides a baseline for managing IME hardware, software, and services (for example, PCs, laptops, copiers, cellular telephones).

b. Streamlines the process for requesting and acquiring IME (Army in Europe Supplement 1 AR 25-1, para 3-11).

Per Army in Europe Supplement 1 to AR 25-1, dated 29 January 2003, paragraph 3-11d, when NAF resources are used to acquire IM hardware, software, or services to support a NAF activity, approval will be made by and through the NAF chain of command. Although this approval is outside normal IM channels, it will not interfere with other requirements (for example, the IM-planning process, coordination with the supporting DOIM, compliance with the UIA).

NAF IME is purchased using the Information Management Acquisition Request (IMAR) process as outlined in Army in Europe Supplement 1 to AR 25-1, dated 29 January 2003, paragraph 3-11d. An IMAR is a document requesting authority to implement all or part of an approved information initiative shown in the ISPPS baseline up to the authorization level for the specific IME configuration. Appendix K Army in Europe Supplement 1 to AR 25-1, provides the IMAR format. IMARs will be transmitted to the review-and-approval authority by e-mail process. Requests to purchase replacement NAF IME are processed through local ASG DOIM. Requests for new items not authorized in the ISPPS database must be forwarded to IMA-E, MWRD, Regional Information Services Office for approval.

IMA-E's policy for replacement of IME is planned for and normally replaced according to a 5-year lifecycle unless significant economic reasons or a major change of mission justify otherwise. IME will not be requested to replace existing items only to keep pace with technology or for aesthetic reasons.

15. **RIMP:** Risk insurance management program premiums must be included in your budget. Since IMA-E Single Fund has overall responsibility for oversight and solvency of the fund, all losses incurred must be reported to the Single Fund manager as follows:

a. Up to $1,000 in value may be reported (with a detailed description of loss) at month end with the summary of RIMP reports for the month.

b. Losses exceeding $1,000 in value are to be reported telephonically within one business day of discovery. Notification will be made to the FMG, Management Control and Assistance Branch (MCAB). The following personnel are authorized to accept the notification: (1) Beverly J. Bennett, Chief, MCAB; (2) Rafael Wunsch, Management Analyst; and (3) Michael Kreger, Management Analyst. Telephonic notifications must be confirmed in writing with detailed description of losses. This is in addition to notification of loss to CFSC RIMP Office as outlined in AR 215-1, paragraph 14-27.

16. **Additional IMA-E Specific Instructions**:

a. **Data Entry into FMBS:** Data is to be entered into FMBS in detailed format on a line-by-line basis. Only the CPMC requirements for the last 3 out years may be summarized. However, in order to reduce the amount of keying required to enter labor figures into FMBS, labor budget numbers may be consolidated as follows:

(1) U. S. Salaries & Wages — enter all into GLAC 601

(2) U. S. Insurance & Benefits — enter all into GLAC 624

(3) L. N. Salaries & Wages — enter all into GLAC 602

(4) L. N. Insurance & Benefits — enter all into GLAC 625

ASGs opting to use consolidated labor GLAC input will submit detailed supporting worksheets for each individual labor GLAC. It is recommended that the ASGs use the labor templates provided by IMA-E FMG.

b. **Areas Requiring Special Emphasis:**

(1) **Club/FBE Operations**. The DA guidance contains standards for clubs (KG only). Clubs will be reviewed by the MWRD program manager and evaluated against these standards. The FY 03 DA guidance also addresses the use of program codes KG and KM. Program code KG (community clubs) is primarily for membership community clubs with or without dues. May have food/beverage, bar, DJ/dancing and slot

operations. Program code KM (food, beverage, entertainment) should include restaurants, catering centers, lounges, high-energy nightclubs, sports bars and the like. (AR 215-1, para 8-17b & c)

(2) **Club Annexes**. As was the case in FY 03, each "front door" should have a separate location code. An annex may be budgeted, but must meet all of the following criteria:

Provides a service that the primary facility does not - i.e., catering;
Has limited hours of operation that do not compete with primary facility;
Does not have a manager - shares costs with primary facility using labor transfers;
Has warehouse issues/supplies issued by primary facility – meaning, issues are made by the central warehouse to the location code of the primary facility. Goods will be transferred using a Transfer Between Activities (TBA). The annex will not maintain a separate "account" with the warehouse.

Facilities operated solely by a concessionaire will be assigned a separate location code. For example, if a catering facility is run by a concessionaire, a location code will be established for the operation. All income will be credited to department G1, GLAC 502.

(3) **Volksfests**. Effective with FY 02, and still policy, ASGs have two options for use in recording Volksfest operations.

a. The first option is to record all revenue and expenses in program code "LV", using the appropriate department code. Income would not be transferred to other programs. Costs for labor provided by other programs or facilities will be charged to LV using a labor transfer. Care will be given to accurate identification and reporting of salaries/wages from other programs or activities to capture true labor costs.

b. The second option is to record the Volksfest IAW UR 215-5, which states that, "Community fest revenue, including concessionaire income and beer-tent concessionaire income, will be recorded in program code LV (Other Category C Activities). Fest revenue will not be allocated or prorated among activities. Expenses directly associated with the fest will also be recorded in program code LV. The exception is an activity that operates a fest facility using only its own labor and other internal resources. Revenues and expenses from these activities may be recorded in the program and location code for that activity, with department code 16 (Mobile Snack Bars) being used for all food operations and department code 5K (Carnival Activities) for all beverage operations.)" If the second option is used, and a facility is running an operation at a fest, all accounting documents (Daily Activity Reports (DARs), warehouse/labor transfers, etc.) must be coded with that facility's location code. All internal controls and standard operating procedures associated with that facility's primary operation will be in effect during the Volksfest. The fest will simply be an extension of that activity's operation. Separate DARs will be prepared for each activity, for every day of fest activity IAW AR 215-1.

c. **BOSS Program**. In FY 04, the BOSS program will be recorded in program code JN. The department code, 9F, remains the same. Accounting practice for BOSS continues to be as any other NAF activity, and any profit remaining at the end of the FY "zeros" on 1 Oct of the next FY. ASGs are encouraged to work with the BOSS POCs to develop realistic budgets, enabling them to make the best use of their funds.

d. **USA Practice**

(1) Conversions of vacant APF positions to NAF positions are not allowed.

(2) ALL APF authorized expenses, funded and not funded, will be recorded in department GL. The negative NIBD in GL will be considered the APF shortfall for that program. The only income authorized for department GL is 508, "USA income". ASGs will use AR 215-1 dated 28 October 1998, and encl 8 of the DA budget guidance to determine APF authorizations. Care must be taken to identify ALL NAF positions that are currently performing APF-authorized functions.

(3) MOAs must contain ALL APF authorized expenses – funded and unfunded. Both funded and unfunded expenses will be budgeted in the appropriate locations in department GL. Including all APF shortfalls in the original MOA will preclude the requirement for an amendment if/when additional APF funding becomes available. MOAs will be used to review GL budgets – total GL budget must be reflected in the MOA.

(4) Fixed assets purchased with NAF that are APF authorized must be capitalized in GLAC 181. Accumulated depreciation will be recorded in GLAC 182. GLAC 860 will be used to record depreciation for these assets.

e. **Currency Rates**

$ 1.00 = Euro .90

f. **The accounting and budgeting cut-off date for Calendar Year-end is 31 Dec 03.** All revenue must be budgeted and recorded in the accounting records for the month that the revenue is earned. All expenses must be budgeted and recorded in the accounting records for the month that the expenses are incurred.

g. ARMP "Test" has been terminated.

17. **POCs** for the above guidance are Mary Schweitzer, schweitzer@ima-e.army.mil, DSN 370-6877, Lobo Fortmeyer, fortmeyerc@ima-e.army.mil, DSN 370-6361, and Mike Heffernan, heffernan@ima-e.army.mil, DSN 370 – 7396.

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Enclosures to the supplemental budget guidance:

1. Approximate distribution of indirect revenue